

1 I, Ali Bushehri, hereby declare as follows:

2 1. I am an individual, over the age of 18. I currently serve as the CEO of BriteLab,
3 Inc., the debtor and debtor-in-possession herein (the "Debtor"), as well as the Chairman of the
4 Debtor's Board of Directors.

5 2. I make this declaration of my own personal knowledge, and if called as a witness,
6 I could and would testify competently thereto, except as to those matters which are therein stated
7 on information and belief, and as to those matters, I believe them to be true.

8 3. I make this declaration in support of the separately and concurrently filed
9 "Debtor's Motion to Modify Debtor's Second Amended Chapter 11, Subchapter V, Plan of
10 Reorganization, Dated July 18, 2024" (the "Motion").

11 4. The Debtor filed its chapter 11 petition on December 29, 2023.

12 5. On May 2, 2024, the Debtor filed and solicited its "Debtor's First Amended
13 Chapter 11, Subchapter V, Plan of Reorganization, Dated April 25, 2024" [Doc. No. 54] (the
14 "First Amended Plan") [ECF 54]. The First Amended Plan had two voting creditor classes
15 (Classes 1 and 2). Class 1 is comprised of all general unsecured creditors except creditor PHC
16 Korea, which is in Class 2. Class 1 voted to accept the First Amended Plan, and, after a
17 correction to a clerical error (*see*, ECF 56 and 57) Class 2 also voted to accept the Plan. The
18 First Amended Plan proposed to pay Class 1 in full over 32 months and Class 2 over 100 months
19 with a plan effective date in July 2024.

20 6. On July 18, 2024, the Debtor filed "Debtor's Second Amended Chapter 11,
21 Subchapter V, Plan of Reorganization, Dated July 18, 2024" (the "Second Amended Plan") [ECF
22 76]. Like the First Amended Plan, the Second Amended Plan proposed to pay Class 1 and Class
23 2 in full, but on a slightly more accelerated schedule over the course of 28 month sand 31
24 months, respectively, with a plan effective date of October 2024.

25 7. Separately and concurrently with the filing of the Motion, the Debtor has filed its
26 "Debtor's Third Amended Chapter 11, Subchapter V, Plan of Reorganization, Dated August 13,
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2024” (the “Third Amended Plan”). The Third Amended Plan also proposes to pay Class 1 and Class 2 in full, over a period of 36 months and 37 months, respectively, with a plan effective date of September 2024. The Third Amended Plan also includes a recent settlement with one creditor (Timothy Lenihan) and addresses the objection of one creditor (Woodside Capital Partners) by including its full claim (though disputed) in the plan projections. The Third Amended Plan is also updated with the most recent rent cure amounts to the Debtor’s real property landlord. The Third Amended Plan projections are updated to include court-approved post-petition financing for funding the plan.

8. The Debtor respectfully submits that none of these modifications are materially adverse to any creditors in the case, as all iterations of the plan have proposed to pay creditors in full on their allowed claims, and the modifications only slightly modify the number of months of payments to accomplish the full-pay plan.

9. The proposed modifications are not materially adverse to any creditors, as the Third Amended Plan pays all creditors in Classes 1 and 2 in full, the only difference being slightly modified payment schedules, now projected at 36 months and 37 months (as compared to 28 or 32 months previously for Class 1, and 31 months and 100 months for Class 2). Class 3 is comprised of equity interest holders, which is unimpaired in all iterations of the plan.

10. Only two creditors objected to the First Amended Plan – Timothy Lenihan and Woodside Capital Partners (“WCP”). The Third Amended Plan addresses both objections. First, the Debtor settled with Lenihan, filed a separate motion to approve the settlement, and the settlement is incorporated in the Third Amended Plan. WCP objected that its full claim was not accounted for in the projected plan payments. Although the Debtor disputes a portion of the WCP claim, the full amount of the WCP claim is accounted for in the plan projections for the Third Amended Plan.

11. A true and correct copy of a redline of the plan showing the changes between the Second Amended Plan and Third Amended Plan is attached as **Exhibit 1** hereto.

1 I declare under penalty of perjury under the laws of the United States of America that the
2 foregoing is true and correct.

3 Executed on 13th day of August, 2024, at San Jose, California.
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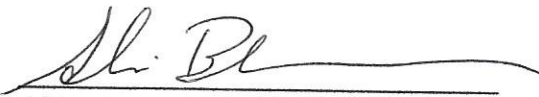
5 
6 ALI BUSHEHRI, Declarant
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EXHIBIT "1"

1 RON BENDER (SBN 143364)
JOHN-PATRICK M. FRITZ (SBN 245240)
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6 Attorneys for Chapter 11 Debtor
and Debtor in Possession
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9 **UNITED STATES BANKRUPTCY COURT**
NORTHERN DISTRICT OF CALIFORNIA
10 **SAN JOSE DIVISION**

11) Case No.: 23-51520
12)
In re:) Chapter 11 Case
13) Subchapter V
BriteLab, Inc.,)
14 a Delaware corporation) **DEBTOR'S** **SECOND~~ND~~THIRD**
15 Debtor and Debtor in Possession.) **AMENDED CHAPTER 11,**
16) **SUBCHAPTER V, PLAN OF**
17) **REORGANIZATION, DATED ~~JULY~~**
18) **18AUGUST 13, 2024**
19)
20) Hearing on Plan Confirmation:
Date: ~~August 8~~September 5, 2024
Time: 1:30 p.m.
Place: United States Courthouse
Courtroom 9
280 South First Street
San Jose, CA 95113-3099¹
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24)
25)

26 ¹ The hearing on this matter will take place in-court using hybrid technology. Each party or lawyer can elect to appear
27 in person in court, or remotely by video/telephone. In-person appearances are not required but are optional. The
28 hearing will be conducted in the presiding judge's courtroom. If you choose to appear by video or telephone, refer to
the Bankruptcy Court's website which provides information regarding how to arrange an appearance. If you have
questions about how to participate in a video or telephonic hearing, you may contact the courtroom deputy, Anna
Lee, at (408) 278-7517 or email her at: anna_e_lee@canb.uscourts.gov.

I. INTRODUCTION

BriteLab Inc., a Delaware corporation (the “Debtor”), is the debtor and debtor in possession in the above-captioned chapter 11, subchapter V, bankruptcy case (the “Bankruptcy Case”) bearing case number 23-51520. The Debtor filed a voluntary petition under chapter 11 of 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”) and elected subchapter V on December 29, 2023 (the “Petition Date”). The Debtor is operating its business, managing its affairs, and administering its estate as a debtor in possession pursuant to sections 1182(2) and 1184 of the Bankruptcy Code. The United States Trustee (the “UST”) appointed Gina Klump as the subchapter V trustee (the “Trustee”) pursuant to 11 U.S.C. § 1183(a).

Chapter 11 subchapter V allows the Debtor (and only the Debtor) to propose a plan. This Plan is a reorganization plan proposed by the Debtor. **This document is the Plan.** It includes (i) a brief history of the business operations of the Debtor; (ii) a liquidation analysis; and (iii) projections with respect to the ability of the Debtor to make payments under the Plan. This information is provided to help you understand the Plan and to decide whether to vote to accept or reject the Plan or otherwise file objections.

The effective date (the “Effective Date”) of the Plan shall be the first day after the Court enters an order (the “Confirmation Order”) confirming the Plan and all of the following conditions have been satisfied or waived as specified below: (1) all documents, instruments, and agreements to be executed in connection with the Plan shall have been executed and delivered by all parties to such documents, instructions, and agreements; (2) 14 days following the entry of the plan confirmation order shall have passed without an appeal of said order having been filed; (3) the Plan is not subject to an appeal or rehearing; and (4) there is no stay in effect with respect to the plan confirmation order.

Conditions numbered (1) and (3) above can be waived by the Debtor in its sole discretion.

1 Condition number (2) above can be waived by request of the Debtor with an order by the
2 Bankruptcy Court pursuant to Rule 3020(e) of the Federal Rules of Bankruptcy Procedure.
3 Condition number (4) cannot be waived. The Debtor, following the Effective Date, shall be
4 referred to as the “Debtor.”

5 **II. STATUTORY PLAN DISCLOSURES**

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7 Bankruptcy Code Section 1190(1) requires that a subchapter V plan include: (i) a brief
8 history of the business operations of the Debtor; (ii) a liquidation analysis; and (iii) projections
9 with respect to the ability of the Debtor to make payments under the Plan. 11 U.S.C. § 1190(1).

10 **A. Brief History of the Business Operations of the Debtor**

11 **a. The Debtor’s Business Prepetition**

12 1. The Debtor was incorporated in Delaware in 2007.

13 2. The Debtor has approximately 48 employees. The Debtor operates its business
14 from a leased location consisting of approximately 52,600 rentable square feet located at 6341-
15 6371 San Ignacio Avenue in San Jose, California.

16 3. The Debtor began as a revolutionary Original Design Manufacturer (ODM)
17 focusing on commercializing its industry proven Adaptive Build On Target (ABOT)
18 productization platform. The Debtor also solves the problem of semiconductor shortages by
19 increasing manufacturing efficiency through its superior automated material handling system
20 (AMHS) allowing it to address a growing \$1.25-billion market with 6% Compound Annual
21 Growth Rate (CAGR) projected through 2025 with only two dominant players.

22 4. The Debtor specializes in highly-complex and precision-system engineering and
23 assembly for Robotics, Automation, and Electro-Mechanical contract engineering / contract
24 manufacturing (CE/CM) industries. The global CE/CM service market has grown significantly
25 to cover technologies and sub-technologies *e.g.*, Semiconductor System and Sub-System
26 assemblies, Battery System Assembly, Biomedical Devices, and Renewable Energy sectors.

27 5. The hardware industry has witnessed a major transition wherein companies
28 working in this industry outsource their manufacturing aspect to maintain a low cost while

1 accelerating their product time-to-market. Original equipment manufacturers (OEMs) utilize
2 contract manufacturers to plunge into an untapped market in a cost-effective manner, and the
3 market is segmented into high growth end markets and industry verticals.

4 6. The Debtor has substantial CE/CM capabilities, including system design and
5 engineering capabilities in complex machine and module development, as well as electro-
6 mechanical expertise that includes cable, harness, and printed circuit board assembly (PCBA)
7 design. The Debtor also has substantial capabilities in prototyping and testing with respect to
8 material engineering, design for manufacturing and testing, rapid new product introduction (NPI)
9 specialty for first article inspection (FAI), specialty systems, and ramp-up, organizational
10 breakdown structure (OBS) engineering, end-of-life (EOL) support, spare parts and repairing, and
11 refurbishing, and application engineering and on-site support.

12 7. While the Debtor does not have secured creditor debt, the Debtor accumulated an
13 unmanageable amount of general unsecured debt prior to the bankruptcy case and thereby requires
14 the use of the Bankruptcy Code to effectuate a restructuring of that prepetition debt. The Debtor
15 believes that it has a viable business to support this Plan of reorganization.

16 **B. Liquidation Analysis**

17 One plan confirmation requirement is the “Best Interest Test,” which requires a
18 liquidation analysis. Under the Best Interest Test, if a claimant or interest holder is in an impaired
19 class and that claimant or interest holder does not vote to accept the Plan, then that claimant or
20 interest holder must receive or retain under the Plan property of a value not less than the amount
21 that such holder would receive or retain if the Debtor were liquidated under chapter 7 of the
22 Bankruptcy Code.

23 In a chapter 7 case, the debtor's assets are usually sold by a chapter 7 trustee. Secured
24 creditors are paid first from the sales proceeds of properties on which the secured creditor has a
25 lien. Administrative claims are paid next. Next, unsecured creditors are paid from any remaining
26 sales proceeds, according to their rights to priority. Unsecured creditors with the same priority
27 share in proportion to the amount of their allowed claim in relationship to the amount of total
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1 allowed unsecured claims. Finally, interest holders receive the balance that remains after all
2 creditors are paid, if any.

3 For the Court to be able to confirm the Plan, the Court must find that all creditors and
4 interest holders who do not accept the Plan will receive at least as much under the Plan as such
5 holders would receive under a chapter 7 liquidation of the Debtor. The Debtor maintains that
6 this requirement is clearly met.

7 The impaired classes under the Plan consist of classes 1 and 2. The Debtor must therefore
8 satisfy the “best interest of creditors test” with respect to members of classes 1 and 2 that do not
9 vote to accept the Plan.

10 Attached as **Exhibit 1** hereto, in balance sheet format, is a demonstration of the
11 liquidation analysis in a hypothetical chapter 7 case if the case were to be converted to chapter 7
12 instead of the chapter 11 plan being confirmed. As shown in **Exhibit 1**, all creditors and interest
13 holders will receive as much or more under the Plan as they would receive under a Chapter 7
14 liquidation of the Debtor. *See, Exhibit 1.* The hypothetical liquidation value of the Debtor is
15 \$1,424,591.80, and unsecured creditors are projected to receive 15 cents on the dollar in a Chapter
16 7 liquidation, which is substantially less than the 100 cents on the dollar that the Plan proposes
17 to pay creditors.

18 The Debtor is analyzing potential avoidable preferential transfers (which are shown on its
19 statement of financial affairs [Doc. No. 29, at pages 71-75], and the Debtor is investigating
20 potential fraudulent transfer claims against the prepetition former owners and insiders. The Plan
21 proposes to have these avoidance actions vest in the Debtor with the proceeds of avoidance
22 actions to be used to pay general unsecured creditors. Therefore, whatever value may be
23 attributed to these causes of action, currently marked as “unknown,” will be the same in either a
24 hypothetical chapter 7 liquidation or in the Plan, and the monetization of such litigation assets
25 will be net neutral in the comparison of the liquidation analysis as against the Plan. Accordingly,
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1 it is projected that creditors would receive less in a hypothetical chapter 7 liquidation compared
2 to the Plan. Therefore, the Plan meets the requirements of the Best Interest Test.

3 **C. Plan Payment Projections**

4 The Debtor's 31-month future plan projections are attached as **Exhibit 2** hereto.

5 **III. TREATMENT OF CREDITORS' CLAIMS UNDER THE PLAN**

6 **A. What Creditors Will Receive Under the Plan**

7 As required by the Bankruptcy Code, the Plan classifies certain claims and interests in
8 various "classes" according to their right to priority and leaves other types of claims unclassified.
9 Also, as required by the Bankruptcy Code, the Plan states whether each class of claims or interests
10 is impaired or unimpaired and describes the treatment each class will receive. A complete chart
11 of all claims is attached as **Exhibit 5** to the Plan.

12 **1. Unclassified Claims**

13 Certain types of claims are not placed into voting classes; instead they are unclassified.
14 The Bankruptcy Code predetermines what type of treatment these claims will receive. They are
15 not considered impaired and they do not vote on the Plan because they are automatically entitled
16 to specific treatment provided for them in the Bankruptcy Code. As such, the Debtor has not
17 placed the following claims in a class.

18 **a. Administrative Expenses**

19 Administrative expenses are claims for costs or expenses of administering the Debtor's
20 Bankruptcy Case that are allowed under Bankruptcy Code Section 507(a)(2). The Bankruptcy
21 Code requires that all administrative claims be paid on the Plan Effective Date unless a particular
22 claimant agrees to a different treatment.

23 The following chart lists all of the Debtor's § 507(a)(2) administrative estate professional
24 claims and their treatment under the Plan.

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<u>Name</u>	<u>Amount Owed</u>	<u>Treatment</u>
Clerk's Office Fees	\$0	Paid in full on the Effective Date
Levene, Neale, Bender, Yoo & Golubchik L.L.P.	\$160,000 (est.)	Paid in full on the earlier of the Effective Date or

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1	("LNBYG"), bankruptcy counsel to the Debtor		entry of a court order approving fees and costs
2	Gina Klump, Subchapter V Trustee	\$25,000 (est.)	Paid in full on the earlier of the Effective Date or entry of a court order approving fees and costs
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4	Duane Clayton Roemmich, accountant to Debtor	\$15,000 (est.)	Paid in full on the earlier of the Effective Date or entry of a court order approving fees and costs
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6	B. Riley, Financial Advisor to the Debtor	\$50,000 (est.)	Paid in full on the earlier of the Effective Date or entry of a court order approving fees and costs
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8	TOTAL	\$250,000 (est.)	Paid in the manner described above
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12 The Court must approve all professional fees and expenses listed in this chart before they

13 may be paid. Professionals may agree to voluntarily defer payment over time. For all

14 professional fees and expenses (except fees owing to the Clerk of the Bankruptcy Court), the

15 professional in question must file and serve a properly noticed fee application and the Court must

16 rule on the application. Only the amount of fees and expenses allowed by the Bankruptcy Court

17 will be required to be paid under the Plan. The administrative claim amounts set forth above

18 simply represent the Debtor's best estimates as to the amount of allowed administrative claims

19 in the Bankruptcy Case. The actual administrative claims may be higher or lower. Much of

20 whether the actual administrative claims described above for professionals will be dependent

21 upon whether the Debtor is required to engage in any substantial litigation regarding the

22 confirmation of the Plan and/or objecting to claims. To the extent the Debtor is required to engage

23 in any such substantial litigation, the Debtor is likely to incur professional fees and expenses in

24 excess (and possibly substantially in excess) of the figures set forth above. By voting to accept

25 the Plan, creditors are not acknowledging the validity of, or consenting to the amount of, any of

26 these administrative claims, and creditors are not waiving any of their rights to object to the

27 allowance of any of these administrative claims. By including the figures described above, the

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Debtor is not acknowledging the validity of, or consenting to the amount of, any of these administrative claims, and the Debtor is not waiving any of its rights to object to the allowance of any of these administrative claims. Similarly, professionals who have been employed in the Bankruptcy Case are not being deemed to have agreed that the figures contained herein represent any ceiling on the amount of fees and expenses that they have incurred or are entitled to seek to be paid pursuant to Bankruptcy Court order as such fees and expenses are just estimates provided at the time of the preparation of the Plan.

To the extent administrative claims are allowed prior to the Effective Date, such allowed administrative claims may be paid by the Debtor out of the Debtor's funds provided the Debtor has sufficient funds to pay them. To the extent administrative claims are allowed after the Effective Date, such allowed administrative claims will be paid by the Debtor.

b. Administrative Expense Claims Other than Estate Professionals

In addition to estate professional administrative expense claims, the Debtor has incurred a post-petition administrative rent claim to its landlord.

To the extent administrative claims are allowed prior to the Effective Date, such allowed administrative claims may be paid by the Debtors out of the Debtor's funds provided the Debtor has sufficient funds to pay them. To the extent administrative claims are allowed after the Effective Date, such allowed administrative claims will be paid by the Debtor.

The following chart lists all of the Debtor's § 507(a)(2) administrative claims (other than estate-professional-administrative-expense claims listed above) accruing and unpaid in the ordinary course of business and their treatment under the Plan.

<u>Name</u>	<u>Amount Owed</u>	<u>Treatment</u>
MLC V SC – SAN IGNACIO, LLC (Lease with Commercial Real Property Landlord)	To the extent that the post-petition administrative rent has not already been paid prior to the Effective Date, it will be paid	If the lease is assumed, the claim will be paid by prompt cure in accordance with 11 U.S.C. § 365(a) within the first three months of the Effective Date

	October <u>September</u> 2024 to March 2025. \$737,170.28 prepetition cure amount to be paid in October 2024 to March 2025 (subject to revision on account of discussions between Debtor and Landlord and ongoing partial paydown payments)	
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c. Priority Tax Claims

Prepetition priority tax claims include certain unsecured income, employment and other taxes described by Section 507(a)(8) of the Bankruptcy Code. Section 1129(a)(9)(C) of the Bankruptcy Code requires that each holder of such a Section 507(a)(8) priority tax claim receive regular installment payments of a total value, as of the Plan Effective Date, equal to the allowed amount of such allowed tax claims, over a period ending not later than five years after the Petition Date, and not less favorable than other creditors paid under the Plan. Interest rates on these claims are conclusively determined by applicable non-bankruptcy law as of the month that the Plan is confirmed. 11 U.S.C. § 511.

Under the Plan, all allowed Section 507(a)(8) priority tax claims will be paid in full on the Effective Date or as soon thereafter as is practicable.

A failure by the Debtor to make a payment on the priority tax claims pursuant to the terms of the Plan will be an event of default. The chart below indicates all priority tax claims which were either scheduled by the Debtor or asserted by the taxing agencies in timely filed proofs of claim. The inclusion of the claims in the chart below is intended simply to reflect the claims that have been scheduled and/or asserted in timely filed proofs of claim as priority tax claims, and is not intended to be a concession by the Debtor regarding the validity of the amount

of any such claims or the classification of such claims as priority tax claims under Section 507(a)(8) of the Bankruptcy Code.

Claimant	Proof of Claim No.	Claim Amount
IRS	5	\$3,141.00
Cal. FTB	10	TBD
TOTAL		\$3,141.00

Priority unsecured tax claims will be paid on the Effective Date, or as soon as reasonably practicable thereafter, in accordance with 11 U.S.C. § 1129(a)(9)(C) with applicable interest as allowed pursuant to 11 U.S.C. § 511, as set forth on **Exhibit 2** to the Plan

2. Classified Claims and Interests

a. Non-Tax Pre-Petition Priority Claims

Certain prepetition priority claims that are referred to in Bankruptcy Code Sections 507(a)(4), (5), (6), and (7) are required to be placed in classes. These types of claims are entitled to priority treatment under the Bankruptcy Code as each holder of such an allowed claim must receive cash on the Effective Date equal to the allowed amount of such claim. However, the holder of such an unsecured priority claim may agree to accept deferred cash payments of a value, as of the Effective Date, equal to the allowed amount of such claim. The below chart summarizes the priority non-tax claims and whether the Debtor is considering an objection at this time. The Plan proposes to pay these claims (to the extent allowed) in full on the Plan Effective Date:

Type	Claim No.	Creditor	Objection	Claim Amount
Priority Wage Claims (11 U.S.C. § 507(a)(4))	39	Grace Son	None	\$5,063.91
Priority Wage Claims (11 U.S.C. § 507(a)(4))	31	Alejandro Cota	None	\$999.96
Priority Wage Claims (11 U.S.C. § 507(a)(4))	27	Lynn Ward	None	\$630.00
Priority Wage Claims (11 U.S.C. § 507(a)(4))	23	Tim Lenihan	Settled	\$10,000.00
20-day goods vendor claim (11 U.S.C. § 507(a)(2))	17	Cintas	None	\$181.65

b. Classes of General Unsecured Claims

General unsecured claims are unsecured claims not entitled to priority under Bankruptcy Code Section 507(a). The following chart identifies the Plan's treatment of the class containing all of the Debtor's non-priority general unsecured claims (see the Claims Chart for detailed information about each general unsecured claim):

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<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>INSIDER IMPAIRED VOTING</u>	<u>TREATMENT</u>
1	All general unsecured claims of the Debtor not included in any other class. Total amount of Class 1 claims is \$2,268,387.71 (estimated and subject to claim objections) The Claims Chart attached as Exhibit 3 to the Plan shows all claims which were scheduled by the Debtor and all proofs of claim which have been filed against the Debtor that are in Class 1.	Mostly non-insiders (but includes some insiders) Impaired. Entitled to vote.	Class 1 will be paid commencing in the first month of the Plan, estimated at October September 2024, and payments to be spread over 28 36 months. Class 1 allowed claim will receive a cash payment equal to its prorated share of the Debtor's net projected disposable income (the " <u>Net Projected Disposable Income</u> ") until paid in full, and upon confirmation of the Plan, the amount of set forth on Exhibit 2 to the Plan, shall be and is conclusively determined to be the net projected disposable income pursuant to 11 U.S.C. § 1191. The intent is to pay the Class 1 claims 100 cents on the dollar. See immediately below for additional details.

Additional Details Re Class 1 Treatment:

Class 1 shall receive the Net Projected Disposable Income.

1 Payment to Class 1 shall be made by the Debtor on a monthly basis as set forth on **Exhibit**
2 **2** to the Plan.

3 Class 1 will not receive interest on their claims.

4 The Debtor may prepay the Net Projected Disposable Income to Class 1 at any time
5 without prepayment penalty.

6 If checks are in amounts of less than \$50, such checks may be deferred until the next
7 payment until the aggregate due to such creditor is in an amount of at least \$50.

8 Attached as **Exhibit 3** to the Plan is a listing of the name and dollar amount of the Class
9 1 allowed claims expected to be paid by the Debtor pursuant to the terms of the Plan, and the
10 estimated prorated recovery for Class 1. (Two creditors listed small amounts of their claims as
11 secured – Corodata at \$442.22, and John F. Bradley, Esq. at \$1,182.26. Both claims are included
12 in Class 1 as unsecured, and Debtor is investigating the basis for the secured claim.)
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<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>INSIDER IMPAIRED VOTING</u>	<u>TREATMENT</u>
2	<p>PHC Korea.</p> <p>Total amount of Class 2 claims is \$4,470,000</p> <p>Pursuant to prepetition contract terms, if PHC Korea does not receive payment of \$4,470,000 by a certain date, then it has the option to convert its claim into a percentage of ownership of Debtor's parent company, BSC Investment Group according to the terms of that prepetition contract.</p>	<p>Non-insider</p> <p>Impaired.</p> <p>Entitled to vote.</p>	<p>By way of the Plan, PHC Korea (Class 2) is provided the option of having its debt paid in a total amount of \$4,470,000 on a monthly basis in full and final satisfaction of its claim, or convert its claim to equity in BSC Investment Group in accordance with the terms of the prepetition contract.</p> <p>Payment intervals to Class 2 are as set forth on Exhibit 2 to the Plan, starting in October <u>November</u> 2024 and ending in April <u>September</u> 2027 for full repayment.</p>

Additional Details Re Class 2 Treatment:

Payment to Class 2 shall be made by the Debtor on a monthly basis as set forth on **Exhibit 2** to the Plan.

Class 2 will not receive interest on its claims.

The Debtor may prepay Class 2 at any time without prepayment penalty.

If checks are in amounts of less than \$50, such checks may be deferred until the next payment until the aggregate due to such creditor is in an amount of at least \$50.

c. Class of Interest Holders

Interest holders are the parties who hold an ownership interest (i.e., equity interest) in the Debtor. In compliance with 11 U.S.C. § 1123(a)(6), the Debtor's charter, bylaws, and/or operating agreement will be amended to provide for the inclusion of a provision prohibiting the

issuance of nonvoting equity securities, and providing, as to the several classes of securities possessing voting power, an appropriate distribution of such power among classes.

The following chart identifies the Plan's treatment of the class of interest holders:

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>INSIDER IMPAIRED VOTING</u>	<u>TREATMENT</u>
3	Equity Interest Holders Existing Shareholders in Debtor as of the date of the filing of this Plan: BSC Investment Group (100%)	Includes insiders. Unimpaired. Deemed to have accepted the plan by operation of law.	The Class 3 Equity Interest Holders will retain their equity interests.

B. Means of Effectuating and Implementing the Plan

1. Funding for the Plan

The Plan will be funded with the Debtor's cash on hand on the Plan Effective Date, continued business operations, ~~and~~ capital infusions from equity holder BSC, and post-petition financing approved by the Court (see, ECF 81, interim financing order). The Debtor's plan projections of future income are attached as **Exhibit 2** to the Plan.

2. Composition of the Debtor After the Effective Date

After the Effective Date, the Debtor shall be known as the "Debtor."

3. Post-Confirmation Management and Compensation

The Debtor will be managed by Ali Bushehri, and current CEO and President of the Debtor and compensated at the rate of \$240,000 per year.

4. Disbursing Agent

1 If the Plan is confirmed pursuant to 11 U.S.C. § 1191(a), the Debtor will act as the
2 disbursing agent under the Plan. If the Plan is confirmed pursuant to 11 U.S.C. § 1191(b), the
3 Debtor (and not the Trustee) will act as the disbursing agent under the Plan and submit a quarterly
4 report to the Trustee, within 45 days after the end of each quarter, detailing the payees and
5 amounts of payment to creditors under the Plan with bank statements as proof of payment. The
6 Debtor will not charge any disbursing agent fee for making the Plan distributions.
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8 **5. Objections to Claims**

9 The Debtor, as the case may be, will file objections to all claims that are inconsistent with
10 the Debtor's books and records or are otherwise objectionable to the Debtor unless the Debtor
11 deems the inconsistency to be insignificant. With respect to disputed claims that are not resolved
12 prior to the Plan Effective Date, the Debtor will have the authority, in its sole discretion, and in
13 the reasonable exercise of its business judgment, to settle or compromise any disputed claim
14 without further notice or Court approval. As provided by Section 502(c) of the Bankruptcy Code,
15 the Bankruptcy Court may estimate any contingent or unliquidated disputed claim for purposes
16 of confirmation of the Plan. As of the Effective Date, the Debtor shall have the sole authority and
17 standing to file any objections to claims following the confirmation of the Plan, and the Court
18 shall retain jurisdiction over the Debtor, and the Bankruptcy Case to resolve such objections to
19 claims following the confirmation of the Plan. Nothing contained in the Plan shall constitute a
20 waiver or release by the Debtor of any rights of setoff or recoupment, or of any defense, the Debtor
21 may have with respect to any claim. The deadline for filing claims objections shall be 180 days
22 after the Plan Effective Date.
23
24

25 **6. Avoidance Actions, Strong Arm Powers, and Causes of Action**

26 All avoidance actions and strong-arm powers of a trustee under chapter 5 of the
27 Bankruptcy Code, shall irrevocably vest in the Debtor and be transferred in total to the Debtor
28

1 upon confirmation of the Plan, with sole authority, control, and standing held by the Debtor. The
2 deadline for filing avoidance actions under chapter 5 of the Bankruptcy Code shall be December
3 28, 2025. The deadline for the Debtor to file any non-avoidance action shall be the later of (i) the
4 statute of limitations for such cause of action and (ii) two years after the Petition Date. Regardless
5 of whether they are listed on the Debtor's bankruptcy schedules of assets or specified in the Plan,
6 all causes of action owned by the Debtor shall vest in the Debtor unless specifically settled with
7 such settlement approved by order of the Bankruptcy Court prior to confirmation of the Plan.

8 **7. Employment of Professionals by the and Payment of Professional Fees and** 9 **Expenses After the Effective Date**

10 On and after the Effective Date, the Debtor shall have the right to employ and compensate
11 professionals as the Debtor determines is appropriate and to compensate any such professionals
12 without the need for any further order of the Bankruptcy Court. If the Plan is confirmed pursuant
13 to 11 U.S.C. § 1191(b), then the Trustee's duties will continue post-confirmation until the last
14 payment under the Plan is completed. In the event that the Plan is confirmed pursuant to 11
15 U.S.C. § 1191(b), the Debtor (in consultation with the Trustee on this issue), anticipates that the
16 Trustee's post-confirmation duties will primarily include responding to creditor questions and
17 reviewing post-confirmation quarterly reports (and, if the Debtor makes a motion to modify the
18 plan, appearing at the hearing thereon); the Trustee's total fees for these post-confirmation
19 services will be in the range of \$3,000 to \$5,000. The Debtor has accounted for the Trustee' post-
20 confirmation fees within its regular "legal and professional service" line item in the plan
21 projections attached as **Exhibit 2** to the Plan.

22 **8. Distributions to Be Made Pursuant to the Plan**

23 Except as otherwise agreed to by the Debtor in writing, distributions to be made to holders
24 of allowed claims pursuant to the Plan may be delivered by regular mail, postage prepaid, to the
25 address shown in the Debtor's schedules, as they may from time to time be amended in accordance
26 with Bankruptcy Rule 1009, or, if a different address is stated in a proof of claim duly filed with
27 the Bankruptcy Court, to such address. Checks issued to pay allowed claims shall be null and
28 void if not negotiated within sixty (60) days after the date of issuance thereof.

1 **9. Exculpations and Releases**

2 To the maximum extent permitted by law, neither the Debtor, the Debtor, their
3 management, nor any of their professionals employed or retained by any of them, whether or not
4 by Bankruptcy Court order, shall have or incur any liability to any person or entity for any act
5 taken or omission made in good faith in connection with or related to the formulation and
6 implementation of the Plan, or a contract, instrument, release, or other agreement or document
7 created in connection therewith, the solicitation of acceptances for or confirmation of the Plan, or
8 the consummation and implementation of the Plan and the transactions contemplated therein,
9 including the distribution of estate funds, except for willful misconduct or gross negligence

10 **10. Injunctions**

11 Except as otherwise provided in the Plan, the obligations to creditors that Debtor
12 undertakes in the confirmed Plan replace those obligations to creditors that existed prior to the
13 Effective Date of the Plan. Debtor's obligations under the confirmed Plan constitute binding
14 contractual promises that, if not satisfied through performance of the Plan, create a basis for an
15 action for breach of contract under California law. To the extent a creditor retains a lien under
16 the Plan, that creditor retains all rights provided by such lien under applicable non-Bankruptcy
17 law.

18 The confirmed Plan is binding on every creditor whose claims are provided for in the Plan.
19 Therefore, even though the automatic stay terminates on the Effective Date with respect to secured
20 claims, no creditor may take any action to enforce either the pre-confirmation obligation or the
21 obligation due under the Plan, so long as Debtor is not in material default under the Plan, except
22 as otherwise provided in the Plan.

23 All creditors and parties in interest who are presented with a copy of the Plan
24 Confirmation Order are charged with actual knowledge of the injunction and with actual
25 knowledge that the injunction is applicable to said creditor and/or party in interest ("Actual
26 Knowledge"), such that it is impossible for said creditor and/or party in interest to have a good
27 faith belief that the injunction does not apply to said creditor's and/or party in interest's claim or
28 cause of action. Accordingly, any creditor and/or party in interest charged with such Actual

1 Knowledge may be held in contempt for violating the injunction, which contempt proceeding
2 may include the Debtor's request for reasonable attorneys' fees and costs for enforcing the
3 injunction.

4 **11. Executory Contracts and Unexpired Leases**

5 To the extent not already assumed or rejected, on the Effective Date, the Debtor will
6 assume the executory contracts and unexpired leases set forth on **Exhibit 4** to the Plan with the
7 cure amount set forth on that exhibit. The Debtor may add, remove, or modify the list of leases
8 and contracts for assumption and rejection with a regularly scheduled motion on 28 days' notice
9 by the Plan Hearing date. On the Effective Date, all of the Debtor's remaining executory
10 contracts and unexpired leases which have not previously been assumed or rejected by the Debtor
11 shall be deemed to be rejected by the Debtor effective as of 11:59 PST on the Plan Effective Date.

12 **THE BAR DATE FOR FILING A PROOF OF CLAIM BASED ON A CLAIM ARISING**
13 **FROM THE REJECTION OF AN UNEXPIRED LEASE OR EXECUTORY CONTRACT**
14 **WHICH IS REJECTED ON THE PLAN EFFECTIVE DATE WILL BE THIRTY DAYS**
15 **AFTER THE PLAN EFFECTIVE DATE.** Any claim resulting from the Debtor's rejection of
16 an unexpired lease or executory contract will be barred if the proof of claim is not timely filed,
17 unless the Court orders otherwise. Any allowed claim resulting from the Debtor's rejection of
18 an unexpired lease or executory contract will constitute a class 1 allowed claim. Any allowed
19 claim resulting from the Debtor's rejection of an unexpired lease or executory contract will be
20 subject to the limitations set forth in 11 U.S.C. § 502(b) and other applicable sections of the
21 Bankruptcy Code.

22 **12. Changes in Rates Subject to Regulatory Commission Approval**

23 The Debtor is not subject to governmental regulatory commission approval of its rates.

24 **13. Retention of Jurisdiction**

25 After confirmation of the Plan and occurrence of the Plan Effective Date, the bankruptcy
26 court may exercise jurisdiction over proceedings concerning: (i) whether Debtor is in material
27 default of any Plan obligation; (ii) whether the time for performing any Plan obligation should
28 be extended; (iii) adversary proceedings and contested matters pending as of the Effective Date

1 or specifically contemplated in this Plan to be filed in this court; (iv) whether the case should be
2 dismissed or converted to one under Chapter 7; (v) any objections to claims; (vi) compromises
3 of controversies under Rule 9019 of the Federal Rules of Bankruptcy Procedure; (vii)
4 compensation of professionals; and (viii) other questions regarding the interpretation and
5 enforcement of the Plan.

6 **IV. EFFECT OF CONFIRMATION OF THE PLAN**

7 **A. Discharge.**

8 If the Plan is confirmed pursuant to 11 U.S.C. § 1191(a), the Debtor shall receive a
9 discharge of its debts pursuant to 11 U.S.C. § 1141(d) on the Effective Date. If the Plan is
10 confirmed pursuant to 11 U.S.C. § 1191(b), the Debtor shall receive a discharge pursuant to 11
11 U.S.C. §§ 1192 and 1141(d), as soon as practicable after the Debtor has completed payment to
12 the Classes for which the Plan was confirmed pursuant to 11 U.S.C. § 1191(b).
13

14 **B. Modification of the Plan.**

15 The Debtor may modify the Plan at any time before confirmation. However, the
16 Bankruptcy Court may require re-voting on the Plan if the Debtor modifies the Plan before
17 confirmation in a manner that materially and adversely affects a creditor or interest holder that
18 had voted in favor of the Plan. If the Plan is confirmed pursuant to 11 U.S.C. § 1191(a), the
19 Debtor may seek to modify the Plan at any time after confirmation of the Plan so long as (1) the
20 Plan has not been substantially consummated, (2) circumstances warrant the modification, and
21 (3) the Bankruptcy Court authorizes the proposed modifications after notice and a hearing.
22

23 If the Plan is confirmed pursuant to 11 U.S.C. § 1191(b), the Debtor may seek to modify
24 the Plan during the life of the Plan as fixed by the Court, so long as (1) the modified plan still
25 meets the requirements of 11 U.S.C. § 1191(b), (2) circumstances warrant the modification, and
26 (3) the Bankruptcy Court authorizes the proposed modifications after notice and a hearing.

27 **C. Post-Confirmation Status Reports.**

28

1 Until a final decree closing the Bankruptcy Case is entered, the Post-Confirmation Debtor
2 will file quarterly post-confirmation status reports with the Bankruptcy Court explaining what
3 progress has been made toward consummation of the confirmed Plan. Even if the Plan is
4 confirmed pursuant to 11 U.S.C. § 1191(b), the Debtor, and not the Trustee, will file the post-
5 confirmation quarterly reports.

6 If the Plan is confirmed pursuant to 11 U.S.C. § 1191(a), the projected substantial
7 consummation date will be when the administrative expense claims are approved and paid. If the
8 Plan is confirmed pursuant to 11 U.S.C. § 1191(b), the projected substantial consummation date
9 will be when all Plan payments are completed. Nothing in the Plan waives the requirement that
10 Debtor file a notice that substantial consummation of the Plan has occurred.

11 **D. Post-Confirmation Conversion/Dismissal.**

12
13 A creditor or any other party in interest may bring a motion to convert or dismiss the
14 Bankruptcy Case under Section 1112(b) of the Bankruptcy Code after the Plan is confirmed, but
15 before the final decree is entered, if there is a default in performing the Plan. If the Bankruptcy
16 Court orders the Bankruptcy Case converted to chapter 7 after the Plan is confirmed, then all
17 property that had been property of the Debtor's chapter 11 estate that has not been disbursed
18 pursuant to the Plan will revert in the chapter 7 estate, and the automatic stay will be reimposed
19 upon the reverted property, but only to the extent that relief from stay was not previously
20 authorized by the Bankruptcy Court during the Bankruptcy Case. The Plan Confirmation Order
21 may also be revoked under very limited circumstances. The Bankruptcy Court may revoke the
22 Plan Confirmation Order if it was procured by fraud and if a party in interest brings an adversary
23 proceeding to revoke confirmation before 180 days after the entry of the Plan Confirmation Order
24 pursuant to 11 U.S.C. § 1144. The Plan is a contract between the Debtor, on the one hand, and
25 creditors on the other hand, and this Plan specifically includes this contractual provision: If the
26 Debtor successfully defends against an adversary proceeding or other lawsuit to revoke
27 discharge, revoke the Plan Confirmation Order, or otherwise alleges plan confirmation by fraud,
28

1 then Debtor may request an award and recovery of reasonable attorneys' fees and costs against
2 any such plaintiff.

3 **E. Final Decree.**

4 Once this estate has been fully administered as referred to in Bankruptcy Rule 3022, the
5 Debtor will file a motion with the Bankruptcy Court to obtain a final decree to close the
6 Bankruptcy Case. The Debtor will be responsible for the timely payment of all fees incurred
7 pursuant to 28 U.S.C. § 1930(a)(6). If the Plan is confirmed pursuant to 11 U.S.C. § 1191(b), the
8 Debtor (and not the Trustee) will file final reports, accounts, and motion for final decree.
9

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1 Presented By:

2 LEVENE, NEALE, BENDER, YOO & GOLUBCHIK L.L.P.

3

4 By: /s/ John-Patrick M. Fritz

5 RON BENDER

6 JOHN-PATRICK M. FRITZ

7 Attorneys for Chapter 11

8 Debtor and Plan Proponent

9 BRITELAB, INC.

10

11

12 By: _____

13 Ali Bushehri

14 Chief Executive Officer

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EXHIBIT "1"

BriteLab, Inc.**Plan Exhibit 1 - Hypothetical Liquidation Analysis**

Assets	Book Value	Liquidation Discount	Chapter 7 Realization
Cash on hand (as of March 26, 2024)	\$127,000.00	0%	\$127,000.00
Accounts Receivable (as of March 26, 2024)	\$2,116,653.00	40%	\$1,269,991.80
Security Deposits as Tenant	\$112,000.00	100%	\$0.00
Secuirty Deposits as Sub-landlord	\$0.00	0%	\$0.00
Office furniture and equipment	\$552,000.00	95%	\$27,600.00
Litigation claims against former insiders	unknown	unknown	unknown
Goodwill	unknown	100%	\$0.00
Total			\$1,424,591.80
Less: Chapter 7 Trustee fees and expenses			-\$74,479.59
Less: Chapter 7 Legal and Accounting Fees			-\$26,000.00
Less: Chapter 11 Professional Fees			-\$225,000.00
Less: Subchapter V Trustee Fees			-\$25,000.00
Less: Priority tax claims			-\$3,141.00
Less: Priority non-tax claims			
Estimated amout for allowed general unsecured claims			\$1,070,971.21
Total dollar amount of general unsecured claims			\$7,199,293.00
Estimated percentage dividend			15%

EXHIBIT "2"

	A	B	D	E	F	G	H	I	J	K	L	M	N	O	P	
1	TYPE		Y2024 CASHFLOW PROJECTION (Updated 06/30/2024)												2024 TOTAL	
2			Actual								PLAN EFFECTIVE DATE SEPTEMBER 2024					
3			DESCRIPTION / MONTH	JAN '24	FEB '24	MAR '24	APR '24	MAY '24	JUN '24	JUL'24	AUG'24	SEP'24	OCT'24	NOV'24		DEC'24
4	Revenue	Revenue Projection								206,402	233,416	659,744	1,383,156	1,634,363	4,117,081	
5																
6	BEGINNING CASH	BEGINNING BALANCE	92,245	29,584	168,706	44,224	143,676	(6,078)	(1,419)	11,784	19,934	105,900	29,420	19,579	92,245	
7	CASH IN	AR: Customers	534,102	553,572	366,109	770,520	316,458	150,881	165,761	315,122	528,014	724,478	1,238,474	1,584,122	7,247,611	
8		Loan (Borrowing)													0	
9		PO Borrowing									270,495	567,094	670,089	767,739	2,275,416	
10		AR Borrowing									448,812	615,806	1,052,702	1,346,503	3,463,824	
11		BSC							195,000						195,000	
12		TOTAL CASH IN	626,347	583,156	534,814	814,744	460,134	339,803	164,342	326,906	1,267,254	2,013,279	2,990,685	3,717,943	13,274,096	
13																
14		MONTH	JAN '24	FEB '24	MAR '24	APR '24	MAY '24	JUN '23	JUL'24	AUG '24	SEP'24	OCT '24	NOV'24	DEC '24	TOTAL	
15	CASH OUT - OPERATING ACTIVITIES	AP & (COD/CIA) Material Purchases	57,257	8,062	11,345	89,766	31,893	15,328	4,879	23,342	270,495	567,094	670,089	767,739	2,517,288	
16		PO Payback											270,495	567,094	670,089	1,507,678
17		AR Payback											359,049	582,407	965,323	1,906,780
18		PO and AR Financing Cost											0	18,849	35,259	54,108
19		Bldg Rent/CAM	0	30,000	60,000	90,000	90,000	0	0	0	190,614	370,464	289,635	289,635	1,410,348	
20		Payroll	411,566	280,739	328,397	354,806	262,400	230,552	122,103	220,000	455,000	300,000	340,000	400,000	3,705,564	
21		Benefit	49,260	52,216	49,401	48,572	45,151	48,719	4,104	41,580	135,995	56,700	64,260	75,600	671,559	
22		Commission/Incentive	0	0	0	21,469	0	0	0	0	0	0	123,847	158,412	303,728	
23		Tools & Supplies	152	162	31	843	481	53	311	300	4,000	5,000	5,000	5,000	21,333	
24		R&D: Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25		Office Expenses	0	0	5,028	5,365	6,612	1,094	673	1,000	2,500	9,000	10,000	10,000	51,273	
26		Legal & Professional Service	5,000	12,550	9,075	18,439	4,000	3,345	7,200	7,000	12,000	15,000	62,000	65,500	221,109	
27		IT Software & Service	7,791	9,111	10,170	13,148	13,680	5,593	4,200	4,500	5,000	5,000	5,000	5,000	88,193	
28		Insurance Installment	12,776	0	6,346	10,794	3,096	10,379	3,250	3,250	3,250	3,250	3,100	9,097	68,588	
29		S&M/T&E	33,613	13,819	7,492	10,749	6,974	17,544	4,563	5,000	10,000	10,000	16,700	16,700	153,154	
30		Loan Payback								0					0	
31		Facilities/OH	0	0	305	6,537	0	7,702	1,275	1,000	2,500	3,000	20,262	18,267	60,848	
32		Others	19,348	7,790	3,000	579	1,926	913	0	0	70,000	0	6,500	6,500	116,556	
33		TOTAL CASH OUT - OPERATING ACTIVITIES	596,763	414,450	490,590	671,067	466,213	341,222	152,558	306,972	1,161,354	1,974,052	2,784,744	3,498,121	12,858,106	
34																
35	CASH BALANCE		29,584	168,706	44,224	143,676	(6,078)	(1,419)	11,784	19,934	105,900	39,227	205,941	219,822	415,990	
36																
37	CREDITORS	Class 1 (\$2.57MM + \$273,500 WCP)									21,515	9,807	13,985	29,955	75,262	
38		Priority IRS Taxes									3,141				3,141	
39		Priority PTO Claims									6,700				6,700	
40		Chapter 11 Professionals											150,000	100,000	250,000	
41		Tim Lenihan Settlement									10,000				10,000	
42		Class 2 (\$4.47MM)											22,376	47,929	70,305	
43		Total Creditors and Loan								0	9,807	186,361	177,884	374,052		
44																
45	ENDING CASH		29,584	168,706	44,224	143,676	(6,078)	(1,419)	11,784	19,934	105,900	29,420	19,579	41,938		

	A	B	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD
1	TYPE	Y2025 CASHFLOW PROJECTION													2025 TOTAL
2		DESCRIPTION / MONTH	JAN '25	FEB '25	MAR '25	APR '25	MAY '25	JUN '25	JUL '25	AUG '25	SEP '25	OCT '25	NOV '25	DEC '25	
3	Revenue	Revenue Projection	1,872,533	2,100,000	2,163,000	2,227,890	2,272,448	2,317,897	2,364,255	2,411,540	2,459,771	2,508,966	2,559,145	2,610,328	27,867,772
4															
5															
6	BEGINNING CASH	BEGINNING BALANCE	41,938	52,678	62,642	46,739	93,264	111,575	118,199	104,941	112,799	118,694	130,270	143,462	41,938
7	CASH IN	AR: Customers	1,824,899	2,054,507	2,150,400	2,214,912	2,263,536	2,308,807	2,354,983	2,402,083	2,450,124	2,499,127	2,549,109	2,600,092	27,672,579
8		Loan (Borrowing)													0
9		PO Borrowing	861,000	886,830	913,435	931,704	950,338	969,344	988,731	1,008,506	1,028,676	1,049,250	1,070,235	1,086,288	11,744,336
10		AR Borrowing	1,551,164	1,746,331	1,827,840	1,882,675	1,924,006	1,962,486	2,001,736	2,041,770	2,082,606	2,124,258	2,166,743	2,210,078	23,521,692
11		BSC													0
12		TOTAL CASH IN	4,279,001	4,740,346	4,954,317	5,076,030	5,231,144	5,352,213	5,463,649	5,557,300	5,674,205	5,791,329	5,916,357	6,039,919	62,980,545
13															
14		MONTH	JAN '25	FEB '25	MAR '25	APR '25	MAY '25	JUN '25	JUL '25	AUG '25	SEP '25	OCT '25	NOV '25	DEC '25	TOTAL
15	CASH OUT - OPERATING ACTIVITIES	AP & (COD/CIA) Material Purchases	767,739	861,000	886,830	913,435	931,704	950,338	969,344	988,731	1,008,506	1,028,676	1,049,250	1,070,235	11,425,787
16		PO Payback	767,739	861,000	886,830	913,435	931,704	950,338	969,344	988,731	1,008,506	1,028,676	1,049,250	1,070,235	11,425,787
17		AR Payback	1,287,743	1,510,232	1,707,297	1,811,538	1,871,708	1,915,740	1,954,790	1,993,886	2,033,763	2,074,439	2,115,927	2,158,246	22,435,310
18		PO and AR Financing Cost	48,591	60,216	69,182	75,052	78,629	80,800	82,581	84,251	85,936	87,655	89,408	91,196	933,496
19		Bldg Rent/CAM	291,281	282,110	260,093	84,401	84,401	84,401	84,401	84,401	84,401	86,912	86,912	86,912	1,600,625
20		Payroll	450,000	450,000	450,000	450,000	450,000	450,000	500,000	500,000	500,000	500,000	500,000	500,000	5,700,000
21		Benefit	85,050	85,050	85,050	85,050	85,050	85,050	94,500	94,500	94,500	94,500	94,500	94,500	1,077,300
22		Commission/Incentive	182,490	205,451	215,040	221,491	226,354	230,881	235,498	240,208	245,012	249,913	254,911	260,009	2,767,258
23		Tools & Supplies	5,000	5,000	5,000	5,000	5,000	5,000	6,000	6,000	6,000	6,000	6,000	6,000	66,000
24		R&D: Expense	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,800,000
25		Office Expenses	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
26		Legal & Professional Service	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000
27		IT Software & Service	5,500	6,000	6,500	7,000	7,500	8,000	8,500	9,000	9,500	10,000	10,000	10,000	97,500
28		Insurance Installment	0	0	13,645	0	0	13,645	0	0	13,645	0	0	13,645	54,582
29		S&M/T&E	20,000	20,000	20,000	25,000	25,000	25,000	30,000	30,000	30,000	35,000	35,000	35,000	330,000
30		Loan Payback													0
31		Facilities/OH	20,859	18,809	18,809	20,859	18,809	18,809	20,859	18,809	18,809	20,859	18,809	18,809	233,907
32		Others	6,500	6,500	6,500	7,300	6,500	6,500	18,000	6,500	6,500	6,500	6,500	6,500	90,300
33		TOTAL CASH OUT - OPERATING ACTIVITIES	4,128,491	4,561,368	4,820,777	4,809,561	4,912,358	5,014,501	5,163,818	5,235,017	5,335,079	5,419,129	5,506,466	5,611,287	60,517,850
34															
35		CASH BALANCE	150,509	178,978	133,540	266,469	318,786	337,712	299,831	322,283	339,126	372,200	409,891	428,633	2,462,695
36															
37	CREDITORS	Class 1 (\$2.57MM + \$273.500 WCP)	37,627	44,745	33,385	66,617	79,697	84,428	74,958	80,571	84,782	93,050	102,473	107,158	889,490
38		Priority IRS Taxes													
39		Priority PTO Claims													
40		Chapter 11 Professionals													
41		Tim Lenihan Settlement													
42		Class 2 (\$4.47MM)	60,204	71,591	53,416	106,588	127,515	135,085	119,933	128,913	135,651	148,880	163,956	171,453	1,423,184
43		Total Creditors and Loan	97,831	116,336	86,801	173,205	207,211	219,513	194,890	209,484	220,432	241,930	266,429	278,611	2,312,673
44															
45	ENDING CASH		52,678	62,642	46,739	93,264	111,575	118,199	104,941	112,799	118,694	130,270	143,462	150,022	

	A	B	AF	AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP	AQ	AR
1	TYPE	Y2026 CASHFLOW PROJECTION													2026 TOTAL
2		DESCRIPTION / MONTH	JAN '26	FEB '26	MAR '26	APR '26	MAY '26	JUN '26	JUL '26	AUG '26	SEP '26	OCT '26	NOV '26	DEC '26	
3	Revenue	Revenue Projection	2,649,483	2,689,225	2,729,564	2,770,507	2,812,065	2,854,246	2,897,059	2,940,515	2,984,623	3,029,392	3,074,833	3,120,956	34,552,470
4															
5															
6	BEGINNING CASH	BEGINNING BALANCE	150,022	96,568	83,722	79,355	89,975	101,573	106,251	91,597	98,409	101,731	115,959	129,183	150,022
7	CASH IN	AR: Customers	2,641,652	2,681,277	2,721,496	2,762,319	2,803,753	2,845,810	2,888,497	2,931,824	2,975,802	3,020,439	3,065,745	3,111,731	34,450,344
8		Loan (Borrowing)													0
9		PO Borrowing	1,102,582	1,119,121	1,135,908	1,152,947	1,170,241	1,187,794	1,205,611	1,223,695	1,242,051	1,260,682	1,279,592	1,298,786	14,379,010
10		AR Borrowing	2,245,404	2,279,085	2,313,272	2,347,971	2,383,190	2,418,938	2,455,222	2,492,051	2,529,431	2,567,373	2,605,883	2,644,972	29,282,793
11		BSC													0
12		TOTAL CASH IN	6,139,660	6,176,051	6,254,397	6,342,591	6,447,160	6,554,115	6,655,581	6,739,168	6,845,693	6,950,224	7,067,179	7,184,671	78,262,169
13															
14		MONTH	JAN '26	FEB '26	MAR '26	APR '26	MAY '26	JUN '26	JUL '26	AUG '26	SEP '26	OCT '26	NOV '26	DEC '26	TOTAL
15	CASH OUT - OPERATING ACTIVITIES	AP & (COD/CIA) Material Purchases	1,086,288	1,102,582	1,119,121	1,135,908	1,152,947	1,170,241	1,187,794	1,205,611	1,223,695	1,242,051	1,260,682	1,279,592	14,166,513
16		PO Payback	1,086,288	1,102,582	1,119,121	1,135,908	1,152,947	1,170,241	1,187,794	1,205,611	1,223,695	1,242,051	1,260,682	1,279,592	14,166,513
17		AR Payback	2,201,411	2,238,339	2,272,349	2,306,434	2,341,031	2,376,146	2,411,789	2,447,965	2,484,685	2,521,955	2,559,785	2,598,181	28,760,071
18		PO and AR Financing Cost	93,020	94,685	96,203	97,657	99,122	100,608	102,117	103,649	105,204	106,782	108,384	110,009	1,217,440
19		Bldg Rent/CAM	118,271	118,271	118,271	118,271	118,271	118,271	118,271	118,271	118,271	118,271	118,271	118,271	1,419,254
20		Payroll	550,000	550,000	550,000	550,000	550,000	550,000	600,000	600,000	600,000	600,000	600,000	600,000	6,900,000
21		Benefit	103,950	103,950	103,950	103,950	103,950	103,950	113,400	113,400	113,400	113,400	113,400	113,400	1,304,100
22		Commission/Incentive	264,165	268,128	272,150	276,232	280,375	284,581	288,850	293,182	297,580	302,044	306,575	311,173	3,445,034
23		Tools & Supplies	8,000	8,000	8,000	8,000	8,000	8,000	10,000	10,000	10,000	10,000	10,000	10,000	108,000
24		R&D: Expense	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,400,000
25		Office Expenses	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,000
26		Legal & Professional Service	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	480,000
27		IT Software & Service	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	240,000
28		Insurance Installment	0	0	18,194	0	0	18,194	0	0	18,194	0	0	18,194	72,776
29		S&M/T&E	50,000	50,000	50,000	50,000	50,000	50,000	60,000	60,000	60,000	60,000	60,000	60,000	660,000
30		Loan Payback													0
31		Facilities/OH	20,859	18,809	18,809	20,859	18,809	18,809	20,859	18,809	18,809	20,859	18,809	18,809	233,907
32		Others	6,500	6,500	6,500	7,300	6,500	6,500	18,000	6,500	6,500	6,500	6,500	6,500	90,300
33		TOTAL CASH OUT - OPERATING ACTIVITIES	5,863,752	5,936,846	6,027,668	6,085,519	6,156,951	6,250,541	6,393,875	6,458,000	6,555,034	6,618,913	6,698,086	6,798,722	75,843,907
34															
35		CASH BALANCE	275,908	239,205	226,730	257,072	290,209	303,574	261,707	281,168	290,659	331,311	369,093	385,950	2,418,262
36															
37	CREDITORS	Class 1 (\$2.57MM + \$273.500 WCP)	68,977	59,801	56,682	64,268	72,552	75,893	65,427	70,292	72,665	82,828	92,273	96,487	878,146
38		Priority IRS Taxes													
39		Priority PTO Claims													
40		Chapter 11 Professionals													
41		Tim Lenihan Settlement													
42		Class 2 (\$4.47MM)	110,363	95,682	90,692	102,829	116,083	121,430	104,683	112,467	116,263	132,524	147,637	154,390	1,405,034
43		Total Creditors and Loan	179,340	155,483	147,374	167,097	188,636	197,323	170,109	182,759	188,928	215,352	239,910	250,867	2,283,180
44															
45	ENDING CASH		96,568	83,722	79,355	89,975	101,573	106,251	91,597	98,409	101,731	115,959	129,183	135,082	

	A	B	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG
1	TYPE	DESCRIPTION / MONTH	Y2027 CASH FLOW PROJECTION												Y2027 TOTAL	
2			JAN '27	FEB '27	MAR '27	APR '27	MAY '27	JUN '27	JUL '27	AUG '27	SEP '27	OCT '27	NOV '27	DEC '27		
3	Revenue	Revenue Projection	3,167,770	3,215,287	3,263,516	3,312,469	3,362,156	3,412,588	3,463,777	3,515,734	3,550,891	3,586,400	3,622,264	3,658,487	41,131,338	
4																
5	BEGINNING CASH	BEGINNING BALANCE	135,082	127,074	132,141	133,943	150,642	164,716	170,036	188,336	105,730	353,144	756,946	1,176,777	135,082	
6	CASH IN	AR: Customers	3,158,407	3,205,783	3,253,870	3,302,678	3,352,218	3,402,502	3,453,539	3,505,342	3,543,859	3,579,298	3,615,091	3,651,242	41,023,831	
7		Loan (Borrowing)													0	
8		PO Borrowing	1,318,268	1,338,042	1,358,112	1,378,484	1,399,161	1,420,149	1,441,451	1,455,865	1,470,424	1,485,128	1,499,979	1,544,979	17,110,041	
9		AR Borrowing	2,684,646	2,724,916	2,765,790	2,807,277	2,849,386	2,892,126	2,935,508	2,979,541	3,012,281	3,042,403	3,072,827	3,103,556	34,870,257	
10		BSC													0	
11		TOTAL CASH IN	7,296,403	7,395,815	7,509,913	7,622,382	7,751,407	7,879,493	8,000,534	8,129,084	8,132,294	8,459,973	8,944,844	9,476,553	96,598,696	
12																
13																
14	MONTH		JAN '27	FEB '27	MAR '27	APR '27	MAY '27	JUN '27	JUL '27	AUG '27	SEP '27	OCT '27	NOV '27	DEC '27	TOTAL	
15	CASH OUT - OPERATING ACTIVITIES	AP & (COD/CIA) Material Purchases	1,298,786	1,318,268	1,338,042	1,358,112	1,378,484	1,399,161	1,420,149	1,441,451	1,455,865	1,470,424	1,485,128	1,499,979	16,863,848	
16		PO Payback	1,298,786	1,318,268	1,338,042	1,358,112	1,378,484	1,399,161	1,420,149	1,441,451	1,455,865	1,470,424	1,485,128	1,499,979	16,863,848	
17		AR Payback	2,637,154	2,676,711	2,716,862	2,757,615	2,798,979	2,840,964	2,883,578	2,926,832	2,970,734	3,005,733	3,036,379	3,066,743	34,318,284	
18		PO and AR Financing Cost	111,660	113,335	115,035	116,760	118,511	120,289	122,093	123,925	125,784	127,407	128,814	130,117	1,453,729	
19		Bldg Rent/CAM	123,209	123,209	123,209	123,209	123,209	123,209	123,209	123,209	123,209	123,209	123,209	123,209	1,478,510	
20		Payroll	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	7,200,000	
21		Benefit	113,400	113,400	113,400	113,400	113,400	113,400	113,400	113,400	113,400	113,400	113,400	113,400	1,360,800	
22		Commission/Incentive	315,841	320,578	325,387	330,268	335,222	340,250	345,354	350,534	354,386	357,930	361,509	365,124	4,102,383	
23		Tools & Supplies	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000	
24		R&D: Expense	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	3,000,000	
25		Office Expenses	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,000	
26		Legal & Professional Service	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	480,000	
27		IT Software & Service	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	240,000	
28		Insurance Installment	0	0	22,742	0	0	22,742	0	0	22,742	0	0	22,742	90,970	
29		S&M/T&E	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	720,000	
30		Loan Payback													0	
31		Facilities/OH	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	384,000	
32		Others	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000	
33		TOTAL CASH OUT - OPERATING ACTIVITIES	6,933,335	7,018,268	7,127,218	7,191,976	7,280,789	7,393,677	7,462,432	7,555,302	7,656,486	7,703,027	7,768,067	7,855,794	88,946,373	
34																
35		CASH BALANCE	363,068	377,546	382,695	430,405	470,618	485,816	538,102	573,782	475,808	756,946	1,176,777	1,620,760	7,652,324	
36																
37	CREDITORS	Class 1 (\$2.57MM + \$273,500 WCP)	90,767	94,387	95,674	107,601	117,654	121,454	134,525	238,540					1,000,602	2,843,500
38		Priority IRS Taxes														3,141
39		Priority PTO Claims														6,700
40		Chapter 11 Professionals														250,000
41		Tim Lenihan Settlement														
42		Class 2 (\$4.47MM)	145,227	151,019	153,078	172,162	188,247	194,326	215,241	229,513	122,664				1,571,477	4,470,000
43		Total Creditors and Loan	235,994	245,405	248,752	279,764	305,902	315,780	349,766	468,053	122,664	0	0	0	2,572,080	
44																
45	ENDING CASH		127,074	132,141	133,943	150,642	164,716	170,036	188,336	105,730	353,144	756,946	1,176,777	1,620,760		

EXHIBIT "3"

	Creditor Claim No.	FILED CLAIM				SCHEDULED CLAIM				C/ U/ D	OBJECTION Basis of Objection, if Any	Proposed Plan Administrative Expense Amount	PROPOSED TREATMENT OF CLAIM				Proposed Prorated Payment
		Date Claim Filed	Secured	Priority	General Unsecured	Schedule "D" Secured	Schedule "E" Priority	Schedule "F" Unsecured					Proposed Secured Amount	Proposed Priority Amount	Proposed Unsecured Amount		
CA State Board of Equaliza - (V) - CAS00								0		CUD				0			\$0.00
Franchise Tax Board	10	1/12/2024			\$0.00			\$0.00						\$0.00			\$0.00
Internal Revenue Service	5	1/9/2024			\$3,141.00			\$0.00		D				\$3,141.00			\$0.00
Acuma Inc - (V) - ACU001	15	1/17/24			\$6,300.00			\$6,300.00							\$6,300.00		\$6,300.00
ADEM LLC - (V) - ADEMILLC								\$10,321.00							\$10,321.00		\$10,321.00
Advanced Motion Control - (V) - AMCONT								\$8,960.00							\$8,960.00		\$8,960.00
Advanced World Products								\$384.00							\$384.00		\$384.00
Airpot Corporation - (V) - AIR002								\$4,248.30							\$4,248.30		\$4,248.30
All American Semiconduc - (V) - ALLAMERI								\$302.35							\$302.35		\$302.35
All Bearing Solutions - (V) - ALL017								\$7,395.00							\$7,395.00		\$7,395.00
Alpine Bearing West - (V) - ALP002	18	1/30/24			\$8,368.75			\$8,368.75							\$8,368.75		\$8,368.75
Aonics Electronics - (V) - AON001								\$2,575.75							\$2,575.75		\$2,575.75
AT&T 5019								\$0.00							\$0.00		\$0.00
AT&T 5025								\$612.87							\$612.87		\$612.87
AT&T MOBILITY								\$0.00							\$0.00		\$0.00
AZ Prototype - (V) - AZP001								\$21,015.74							\$21,015.74		\$21,015.74
Bay Advanced Technology - (V) - BAY001								\$2,061.60							\$2,061.60		\$2,061.60
Bay Alarm Company 3601422								\$1,890.48							\$1,890.48		\$1,890.48
Bay Alarm Company 3638522								\$1,449.72							\$1,449.72		\$1,449.72
Bay Alarm Company 4507522								\$1,195.44							\$1,195.44		\$1,195.44
Berliner-Cohen LLP								\$2,200.00							\$2,200.00		\$2,200.00
Beslagic Edina								\$50.00							\$50.00		\$50.00
Bossard- (V) - BOS002								\$4,626.50							\$4,626.50		\$4,626.50
Bradley Nameplate Corp. - (V) - BRA002								\$225.00							\$225.00		\$225.00
Brooks Automation, Inc. - (V) - BRO001								\$0.00							\$0.00		\$0.00
BSI Group America, Inc								\$3,275.00							\$3,275.00		\$3,275.00
Chamisa Technology, LLC - (V) - CHA005	37	3/7/24			\$32,226.89			\$33,903.96							\$32,226.89		\$32,226.89
Cintas PO Box 631025_S2	17	1/29/24			\$181.65			\$445.00						\$181.65	\$3,449.22		\$3,449.22
CINTAS CORPORATION box 29059 Uniform								\$2,746.94							\$2,746.94		\$2,746.94
CINTAS PO Box 631025 Cintas First Aid &								\$702.28							\$702.28		\$702.28
Comcast Business								\$4,050.20							\$4,050.20		\$4,050.20
Conexwest - (V) - CON016								\$5,627.37							\$5,627.37		\$5,627.37
Cooner Wire - (V) - COWIRE								\$9,430.00							\$9,430.00		\$9,430.00
Corodata	36	3/7/24		\$442.22				\$442.22							\$442.22		\$442.22
CPK Manufacturing, Inc. - (V) - CPK001								\$42,475.80							\$42,475.80		\$42,475.80
DIGI KEY CORPORATION - (V) - DIG001								\$117.26							\$117.26		\$117.26
Dolphin Data Capture - (V) - DOL001								\$4,588.00							\$4,588.00		\$4,588.00
Eastern Bearings Inc. - (V) - EAS001	4	1/8/24			\$15,302.58			\$15,302.50							\$15,302.58		\$15,302.58
Endeavour Storage Solutions								\$1,309.56							\$1,309.56		\$1,309.56
FedEx CA 3875-69006								\$44,815.73							\$44,815.73		\$44,815.73
FedEx Freight CA 102028252								\$1,113.15							\$1,113.15		\$1,113.15
FedEx-1020-2825-2								\$278.76							\$278.76		\$278.76
Feinmetall USA LLC - (V) - FEI001								\$1,729.60							\$1,729.60		\$1,729.60
First Choice Coffee Services								\$849.11							\$849.11		\$849.11
FlowStar - (V) - FLO002								\$2,007.82							\$2,007.82		\$2,007.82
FOX, WANG & MORGAN P.C								\$19,007.39							\$19,007.39		\$19,007.39
Franchise Tax Board								\$50.00							\$50.00		\$50.00
Future Electronics - (V) - FUT001	21	2/9/24			\$76,941.24			\$320,588.50							\$76,941.24		\$76,941.24
Global Partners LLC								\$0.00			CUD				\$0.00		\$0.00
GM NAMEPLATE, INC. - (V) - GMN001								\$7,993.45							\$7,993.45		\$7,993.45
Gorilla Circuits - (V) - GOR001								\$19,066.00							\$19,066.00		\$19,066.00
Grainger								\$135.20							\$135.20		\$135.20
Hamamatsu Corporation - (V) - HAM001								\$3,950.00							\$3,950.00		\$3,950.00
HD Systems, Inc. - (V) - HDSYST								\$10,930.59							\$10,930.59		\$10,930.59
Howdtech - (V) - HOW001								\$12,732.90							\$12,732.90		\$12,732.90
i2i LLC								\$5,500.00							\$5,500.00		\$5,500.00
IGUS - (V) - IGU002								\$244.89							\$244.89		\$244.89
Indicate Technologies - (V) - IND008	8	1/11/24			\$2,031.33			\$2,031.33							\$2,031.33		\$2,031.33
Integrated Optical Service - (V) - INT00	20	2/8/24			\$4,350.00			\$4,350.00							\$4,350.00		\$4,350.00
Iron Mountain								\$530.36							\$530.36		\$530.36
ITAC SYSTEMS INC - (V) - ITA002								\$567.00							\$567.00		\$567.00
John F. Bradley, Jr.	33	3/1/24		\$1,182.26				\$1,181.20					\$0.00		\$1,181.20		\$1,181.20
Kelly Millard I								\$0.00							\$0.00		\$0.00
Larson Packaging - (V) - LAR001	2	1/5/24			\$3,711.33			\$3,711.33							\$3,711.33		\$3,711.33
LEE SPRING CO. - (V) - LEE								\$1,393.12							\$1,393.12		\$1,393.12
Lin Engineering - (V) - LIN001	7	1/9/24/			\$6,891.86			\$6,891.86							\$6,891.86		\$6,891.86
MAGIC SPRAY - (V) - MAG001								\$1,623.00							\$1,623.00		\$1,623.00
Massa Products Corporation - (V) - MAS00								\$51,870.00							\$51,870.00		\$51,870.00
Maxon Precision Motors, In - (V) - MAX00	14	1/17/24			\$2,559.00			\$2,559.00							\$2,559.00		\$2,559.00
MB KIT SYSTEMS LLC - (V) - MBK001								\$2,458.14							\$2,458.14		\$2,458.14
MCMaster-CARR INC. - (V) - MCM001								\$94.97							\$94.97		\$94.97
Melissa Zertuche								\$250.97							\$250.97		\$250.97
Meritronics Las Vegas - (V) - MER005								\$7,696.75							\$7,696.75		\$7,696.75
metalfx - (V) - MET007	24	2/23/24			\$42,859.84			\$21,704.00							\$42,859.84		\$42,859.84
Micro Precision Calibratio - (V) - MIC00	25	2/26/24			\$8,118.00			\$8,118.00							\$8,118.00		\$8,118.00
Misumi USA - (V) - MIS001								\$1,874.60							\$1,874.60		\$1,874.60
MOUSER ELECTRONICS INC. - (V) - MOU001								\$6,064.51							\$6,064.51		\$6,064.51
Navarro Machining - (V) - NAV001								\$1,500.00							\$1,500.00		\$1,500.00
New Dimension Electronics - (V) - NEW013								\$475.00							\$475.00		\$475.00
Newark Electronics - (V) - NEWARK								\$8,894.85							\$8,894.85		\$8,894.85
Newport Corporation (V) - NEW002								\$4,838.63							\$4,838.63		\$4,838.63
NICKELL FIRE PROTECTION, I - (V) - NIC00								\$442.97							\$442.97		\$442.97

	Creditor Claim No.	FILED CLAIM				SCHEDULED CLAIM				C/ U/ D	OBJECTION Basis of Objection, if Any	Proposed Plan Proposed Administrative Expense Amount	PROPOSED TREATMENT OF CLAIM			
		Date Claim Filed	Secured	Priority	General Unsecured	Schedule "D" Secured	Schedule "E" Priority	Schedule "F" Unsecured	Proposed Secured Amount				Proposed Priority Amount	Proposed Unsecured Amount	Proposed Prorated Payment	
NT Electronics - (V) - NTE001	11	1/16/24			\$9,166.38			\$9,260.88							\$9,166.38	\$9,166.38
Ondeck								\$235,192.30							\$235,192.30	\$235,192.30
Onto Innovations, Inc. dba NANOMETRICS I								\$87,665.27							\$87,665.27	\$87,665.27
Onyx Healthcare USA - (V) - ONY002								\$38,430.00							\$38,430.00	\$38,430.00
P&Dworks Precision Enginee - (V) - PDW00								\$830.00							\$830.00	\$830.00
Pappas Electric - (V) - PAP001								\$835.00							\$835.00	\$835.00
Peak Technology Enterprise - (V) - PEA00								\$13,800.00							\$13,800.00	\$13,800.00
Peninsula Land & Capital								\$734,405.29	CUD	Dupl. - POC28				\$0.00	\$0.00	
PHC GCM Korea								\$37,474.46						\$37,474.46	\$37,474.46	
PHI								\$52,156.32						\$52,156.32	\$52,156.32	
Pitney Bowes Goba Financial - PIT001								\$442.10						\$442.10	\$442.10	
Polymetallurgical LLC - (V) - POL004								\$0.00						\$0.00	\$0.00	
Production Automation Corp - (V) - PRO02								\$1,792.71						\$1,792.71	\$1,792.71	
Proto Labs, Inc - (V) - PRO011	6	1/9/24			\$2,224.33			\$2,224.33						\$2,224.33	\$2,224.33	
QuadRite								\$13,336.00						\$13,336.00	\$13,336.00	
Quality Engineering Consul - (V) - QUA00								\$3,290.00						\$3,290.00	\$3,290.00	
RandSIM - (V) - RAN002								\$5,000.00						\$5,000.00	\$5,000.00	
RS America Inc. - (V) - RS002								\$2,727.20						\$2,727.20	\$2,727.20	
Sharp Dimension, Inc. - (V) - SHARP DIM								\$19,026.16						\$19,026.16	\$19,026.16	
Shirley Solutions LTD - (V) - SHI001								\$856.00						\$856.00	\$856.00	
Silicon Valley Information - (V) - SIL00								\$0.00						\$0.00	\$0.00	
Smartsheet Inc. - (V) - SMA002								\$8,316.00						\$8,316.00	\$8,316.00	
SPEEDMARK Transporation, Inc.								\$0.00						\$0.00	\$0.00	
Staples	1	1/3/24			\$257.80			\$257.80						\$257.80	\$257.80	
Sun KPO Inc. - (V) - SUN010								\$49,342.50						\$49,342.50	\$49,342.50	
Sunnytech Circuit Assembly - (V) - SUN01	13	1/17/24			\$45,367.04			\$44,611.04						\$45,367.04	\$45,367.04	
SuNPe Prototype (HK) Co.,L - (V) - SUN00								\$82,857.31						\$82,857.31	\$82,857.31	
Sunstar Supply Company - (V) - SUN007								\$1,068.67						\$1,068.67	\$1,068.67	
Teledyne Acton Optics - (V) - TEL003								\$7,031.25						\$7,031.25	\$7,031.25	
Testco - (V) - TES004	3	1/8/24			\$3,550.65			\$3,550.65						\$3,550.65	\$3,550.65	
TestEquity - (V) - TES005								\$9,072.65						\$9,072.65	\$9,072.65	
The Pros Commercial Cleaning SolutionsLL								\$3,387.20						\$3,387.20	\$3,387.20	
THK America, Inc. - (V) - THK R								\$8,610.00						\$8,610.00	\$8,610.00	
Thorlabs - (V) - THO004								\$3,288.52						\$3,288.52	\$3,288.52	
Tim Lenihan	23	2/23/24		\$15,150.00	\$335,823.12			\$0.00	D	Settled			\$10,000.00	\$0.00	\$0.00	
TruTech Specialty Motors								\$11,100.00						\$11,100.00	\$11,100.00	
Uline - (V) - ULI001	16	1/24/24			\$3,326.58			\$3,326.58						\$3,326.58	\$3,326.58	
Unique Technos Co. Ltd - (V) - UNI015								\$74,594.91						\$74,594.91	\$74,594.91	
Villa Janitorial Service - (V) - VIL001								\$6,590.75						\$6,590.75	\$6,590.75	
VTJ Crates & Packaging Com - (V) - VTJ00								\$3,000.00						\$3,000.00	\$3,000.00	
Wavelinkcable - (V) - WAV001								\$3,692.10						\$3,692.10	\$3,692.10	
WB Machining & Mechanical - (V) - WBM001	9	1/11/24		\$48,910.00				\$11,876.00		Yes			\$0.00	\$11,876.00	\$11,876.00	
WCP, Woodside Capital Partners Internatio	12	1/17/24			\$318,500.00			\$45,000.00		Yes				\$318,500.00	\$318,500.00	
Wells Fargo Financial Leasing	19	2/2/24			\$2,106.30			\$480.33	CUD	Cure/Assume				N/A	N/A	
WTWH Media LLC								\$6,650.00						\$6,650.00	\$6,650.00	
Xiamen EPRO Technology Co., LTD								\$2,746.21						\$2,746.21	\$2,746.21	
Xincheng Machinery Factory - (V) - XIN00								\$11,652.00						\$11,652.00	\$11,652.00	
XP POWER INC. - (V) - XPP001								\$24,948.00						\$24,948.00	\$24,948.00	
XYZ Automation - (V) - XYZ001								\$53,299.61						\$53,299.61	\$53,299.61	
Yeong-Sae Kim								\$63,101.60						\$63,101.60	\$63,101.60	
York Industries - (V) - YORK								\$1,870.82						\$1,870.82	\$1,870.82	
US Bank National Association dba Elan Financial s	22	2/20/24			\$61,629.67									\$61,629.67	\$61,629.67	
Alejandro Cota	26	2/26/24			\$999.96								\$999.96		\$0.00	
Lynn Ward	27	2/26/24			\$630.00								\$630.00		\$0.00	
MLC V San Ignacio LLC	28	2/26/24	\$110,460.00	\$250,770.54	\$877,489.82						Cure/Assume	N/A	N/A	N/A	N/A	
US Bank National Association dba Elan Financial	29	2/27/24			\$51,851.30									\$51,851.30	\$51,851.30	
US Bank National Association dba Elan	30	2/27/27			\$46,526.45									\$46,526.45	\$46,526.45	
Alejandro Cota	31	2/29/24			\$999.96								\$0.00	\$0.00	\$0.00	
Fox Wang & Morgan P.C	32	2/29/24			\$25,135.81						Duplicate			\$25,135.81	\$25,135.81	
US Specialty Insurance Co. -Amended	34	3/7/24			\$0.00									\$0.00	\$0.00	
Jireh Semiconductor Inc.	35	3/6/24			\$160,353.00									\$160,353.00	\$160,353.00	
ODK Capital LLC	38	3/8/24	\$355,529.16							Yes (See, On Deck)			\$0.00		\$0.00	
Grace Son	39	3/22/24			\$5,063.91									\$5,063.91	\$0.00	
TOTAL												\$0.00	\$0.00	\$20,016.52	\$2,268,387.71	

EXHIBIT "4"

Exhibit 4
BriteLab, Inc.

Counterparty	Lease or Executory Contract	Assume or Reject	Cure Amount
MLC V SC – SAN IGNACIO, LLC	Real Property Lease (Debtor as tenant)	Assume (subject to renegotiation)	\$737,170.28
Electronics Interface Co., Inc. dba Applied Engineering	Real Property Sublease (Debtor as sublandlord)	Assume (subject to renegotiation)	N/A
Global Partners LLC	Executory Contract for international employees	Reject	N/A
Wells Fargo Financial Leasing	Personal Property Lease	Assume	\$376.42

* Notwithstanding the listing of a contract or lease on this exhibit, Debtor reserves all its rights to challenge whether such contract or lease is an “unexpired lease” or an “executory contract” as of the date of the filing of the bankruptcy petition.

EXHIBIT "5"

Creditor	FILED CLAIM					SCHEDULED CLAIM			
	Claim No.	Date Claim Filed	Secured	Priority	General Unsecured	Schedule "D" Secured	Schedule "E" Priority	Schedule "F" Unsecured	C/ U/ D
CA State Board of Equaliza - (V) - CAS00							0		
Franchise Tax Board	10	1/12/2024			\$0.00		\$0.00		CUD
Internal Revenue Service	5	1/9/2024		\$3,141.00			\$0.00		D
Acuma Inc - (V) - ACU001	15	1/17/24			\$6,300.00			\$6,300.00	
ADEM LLC - (V) - ADEMLLC								\$10,321.00	
Advanced Motion Control - (V) - AMCONT								\$8,960.00	
Advanced World Products								\$384.00	
Airpot Corporation - (V) - AIR002								\$4,248.30	
All American Semiconduc - (V) - ALLAMERI								\$302.35	
All Bearing Solutions - (V) - ALL017								\$7,395.00	
Alpine Bearing West - (V) - ALP002	18	1/30/24			\$8,368.75			\$8,368.75	
Aonics Electronics - (V) - AON001								\$2,575.75	
AT&T 5019								\$0.00	
AT&T 5025								\$612.87	
AT&T MOBILITY								\$0.00	
AZ Prototype - (V) - AZP001								\$21,015.74	
Bay Advanced Technology - (V) - BAY001								\$2,061.60	
Bay Alarm Company 3601422								\$1,890.48	
Bay Alarm Company 3638522								\$1,449.72	
Bay Alarm Company 4507522								\$1,195.44	
Berliner-Cohen LLP								\$2,200.00	
Beslagic Edina								\$50.00	
Bossard- (V) - BOS002								\$4,626.50	
Bradley Nameplate Corp. - (V) - BRA002								\$225.00	
Brooks Automation, Inc. - (V) - BRO001								\$0.00	
BSI Group America, Inc								\$3,275.00	
Chamisa Technology, LLC - (V) - CHA005	37	3/7/24			\$32,226.89			\$33,903.96	
Cintas PO Box 631025_S2	17	1/29/24		\$181.65	\$3,449.22			\$445.00	
CINTAS CORPORATION box 29059 Uniform								\$2,746.94	
CINTAS_PO Box 631025_Cintas First Aid &								\$702.28	
Comcast Business								\$4,050.20	
Conexwest - (V) - CON016								\$5,627.37	
Cooner Wire - (V) - COWIRE								\$9,430.00	
Corodata	36	3/7/24	\$442.22					\$442.22	
CPK Manufacturing, Inc. - (V) - CPK001								\$42,475.80	
DIGI KEY CORPORATION - (V) - DIG001								\$117.26	
Dolphin Data Capture - (V) - DOL001								\$4,588.00	
Eastern Bearings Inc. - (V) - EAS001	4	1/8/24			\$15,302.58			\$15,302.50	
Endeavour Storage Solutions								\$1,309.56	
FedEx CA_3875-69006								\$44,815.73	
FedEx Freight CA_102028252								\$1,113.15	
FedEx-1020-2825-2								\$278.76	
Feinmetall USA LLC - (V) - FEI001								\$1,729.60	
First Choice Coffee Services								\$849.11	
FlowStar - (V) - FLO002								\$2,007.82	
FOX, WANG & MORGAN P.C								\$19,007.39	
Franchise Tax Board								\$50.00	
Future Electronics - (V) - FUT001	21	2/9/24			\$76,941.24			\$320,588.50	
Global Partners LLC								\$0.00	CUD
GM NAMEPLATE, INC. - (V) - GMN001								\$7,993.45	
Gorilla Circuits - (V) - GOR001								\$19,066.00	
Grainger								\$135.20	
Hamamatsu Corporation - (V) - HAM001								\$3,950.00	
HD Systems, Inc. - (V) - HDSYST								\$10,930.59	
Howdtech - (V) - HOW001								\$12,732.90	
i2i LLC								\$5,500.00	
IGUS - (V) - IGU002								\$244.89	
Indicate Technologies - (V) - IND008	8	1/11/24			\$2,031.33			\$2,031.33	
Integrated Optical Service - (V) - INT00	20	2/8/24			\$4,350.00			\$4,350.00	
Iron Mountain								\$530.36	
ITAC SYSTEMS INC - (V) - ITA002								\$567.00	
John F. Bradley, Jr.	33	3/1/24	\$1,182.26					\$1,181.20	
Kelly Millard 1								\$0.00	
Larson Packaging - (V) - LAR001	2	1/5/24			\$3,711.33			\$3,711.33	
LEE SPRING CO. - (V) - LEE								\$1,393.12	
Lin Engineering - (V) - LIN001	7	1/9/24/			\$6,891.86			\$6,891.86	
MAGIC SPRAY - (V) - MAG001								\$1,623.00	
Massa Products Corporation - (V) - MAS00								\$51,870.00	
Maxon Precision Motors, In - (V) - MAX00	14	1/17/24			\$2,559.00			\$2,559.00	
MB KIT SYSTEMS LLC - (V) - MBK001								\$2,458.14	
MCMaster-CARR INC. - (V) - MCM001								\$94.97	
Melissa Zertuche								\$250.97	
Meritronics Las Vegas - (V) - MER005								\$7,696.75	
metalfx - (V) - MET007	24	2/23/24			\$42,859.84			\$21,704.00	
Micro Precision Calibratio - (V) - MIC00	25	2/26/24			\$8,118.00			\$8,118.00	
Misumi USA - (V) - MIS001								\$1,874.60	

Creditor	FILED CLAIM					SCHEDULED CLAIM			
	Claim No.	Date Claim Filed	Secured	Priority	General Unsecured	Schedule "D" Secured	Schedule "E" Priority	Schedule "F" Unsecured	C/ U/ D
MOUSER ELECTRONICS INC. - (V) - MOU001								\$6,064.51	
Navarro Machining - (V) - NAV001								\$1,500.00	
New Dimension Electronics - (V) - NEW013								\$475.00	
Newark Electronics - (V) - NEWARK								\$8,894.85	
Newport Corporation (V) - NEW002								\$4,838.63	
NICKELL FIRE PROTECTION, I - (V) - NIC00								\$442.97	
NT Electronics - (V) - NTE001	11	1/16/24			\$9,166.38			\$9,260.88	
Ondeck								\$235,192.30	
Onto Innovations, Inc. dba NANOMETRICS I								\$87,665.27	
Onyx Healthcare USA - (V) - ONY002								\$38,430.00	
P&Dworks Precision Enginee - (V) - PDW00								\$830.00	
Pappas Electric - (V) - PAP001								\$835.00	
Peak Technology Enterprise - (V) - PEA00								\$13,800.00	
Peninsula Land & Capital								\$734,405.29	CUD
PHC GCM Korea								\$37,474.46	
PHC Korea								\$4,470,000.00	C
PHI								\$52,156.32	
Pitney Bowes Gobal Financial - PIT001								\$442.10	
Polymetallurgical LLC - (V) - POL004								\$0.00	
Production Automation Corp - (V) - PRO02								\$1,792.71	
Proto Labs, Inc - (V) - PRO011	6	1/9/24			\$2,224.33			\$2,224.33	
QuadRite								\$13,336.00	
Quality Engineering Consul - (V) - QUA00								\$3,290.00	
RandSIM - (V) - RAN002								\$5,000.00	
RS America Inc. - (V) - RS002								\$2,727.20	
Sharp Dimension, Inc. - (V) - SHARP DIM								\$19,026.16	
Shirley Solutions LTD - (V) - SHI001								\$856.00	
Silicon Valley Information - (V) - SIL00								\$0.00	
Smartsheet Inc. - (V) - SMA002								\$8,316.00	
SPEEDMARK Transporation, Inc.								\$0.00	
Staples	1	1/3/24			\$257.80			\$257.80	
Sun KPO Inc. - (V) - SUN010								\$49,342.50	
Sunnytech Circuit Assembly - (V) - SUN01	13	1/17/24			\$45,367.04			\$44,611.04	
SuNPc Prototype (HK) Co.,L - (V) - SUN00								\$82,857.31	
Sunstar Supply Company - (V) - SUN007								\$1,068.67	
Teledyne Acton Optics - (V) - TEL003								\$7,031.25	
Testco - (V) - TES004	3	1/8/24			\$3,550.65			\$3,550.65	
TestEquity - (V) - TES005								\$9,072.65	
The Pros Commercial Cleaning SolutionsLL								\$3,387.20	
THK America, Inc. - (V) - THK R								\$8,610.00	
Thorlabs - (V) - THO004								\$3,288.52	
Tim Lenihan	23	2/23/24		\$15,150.00	\$335,823.12			\$0.00	D
TruTech Specialty Motors								\$11,100.00	
Uline - (V) - ULI001	16	1/24/24			\$3,326.58			\$3,326.58	
Unique Technos Co. Ltd - (V) - UNI015								\$74,594.91	
Villa Janitorial Service - (V) - VIL001								\$6,590.75	
VTJ Crates & Packaging Com - (V) - VTJ00								\$3,000.00	
Wavelinkcable - (V) - WAV001								\$3,692.10	
WB Machining & Mechanical - (V) - WBM001	9	1/11/24		\$48,910.00				\$11,876.00	
WCP Woodside Capital Partners Internatio	12	1/17/24			\$318,500.00			\$45,000.00	
Wells Fargo Financial Leasing	19	2/2/24			\$2,106.30			\$480.33	CUD
WTWH Media LLC								\$6,650.00	
Xiamen EPRO Technology Co., LTD								\$2,746.21	
Xincheng Machinery Factory - (V) - XIN00								\$11,652.00	
XP POWER INC. - (V) - XPP001								\$24,948.00	
XYZ Automation - (V) - XYZ001								\$53,299.61	
Yeong-Sae Kim								\$63,101.60	
York Industries - (V) - YORK								\$1,870.82	
US Bank National Association dba Elan Financia	22	2/20/24			\$61,629.67				
Alejandro Cota	26	2/26/24		\$999.96					
Lynn Ward	27	2/26/24		\$630.00					
MLC V San Ignacio LLC	28	2/26/24	\$110,460.00	\$250,770.54	\$877,489.82				
US Bank National Association dba Elan Financia	29	2/27/24			\$51,851.30				
US Bank National Association dba Elan	30	2/27/27			\$46,526.45				
Alejandro Cota	31	2/29/24		\$999.96					
Fox Wang & Morgan P.C	32	2/29/24			\$25,135.81				
US Specialty Insurance Co. -Amended	34	3/7/24			\$0.00				
Jireh Semiconductor Inc.	35	3/6/24			\$160,353.00				
ODK Capital LLC	38	3/8/24	\$355,529.16						

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
2818 La Cienega Avenue, Los Angeles, California 90034

A true and correct copy of the foregoing document entitled (*specify*): **Declaration of Ali Bushehri in Support of Debtor's Motion to Modify Debtor's Second Amended Chapter 11, Subchapter V, Plan of Reorganization, Dated July 18, 2024** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **August 13, 2024**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Todd M. Arnold tma@lnbyg.com
- Ron Bender rb@lnbyg.com
- Corrine Bielejeski Corrine@EastBayBkLaw.com, EastBayBkLaw@gmail.com
- Trevor Ross Fehr trevor.fehr@usdoj.gov
- John-Patrick M. Fritz jpf@lnbyg.com, JPF@ecf.inforuptcy.com
- Gina R. Klump gklump@klumplaw.net, C204@ecfcbis.com
- Office of the U.S. Trustee / SJ USTPRegion17.SJ.ECF@usdoj.gov
- Gregory S. Powell greg.powell@usdoj.gov, Tina.L.Spyksma@usdoj.gov
- Julie H. Rome-Banks julie@bindermlalter.com
- Cheryl C. Rouse rblaw@ix.netcom.com

2. SERVED BY UNITED STATES MAIL: On (*date*) **August 13, 2024**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) **August 13, 2024**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

None.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

August 13, 2024

J. Klassi

/s/ J. Klassi

Date

Printed Name

Signature